

Robert W. Quinn, Jr. Federal Government Affairs Vice President Suite 1000 1120 20th Street NW Washington DC 20036 202 457 3851 FAX 202 457 2545

October 9, 2001

<u>Via Electronic Filing</u>
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Presentation:

Access Charge Reform, CC Docket No. 96-262; Request for Emergency Relief of the Minnesota CLEC Consortium and the Rural Independent Competitive alliance, DA-1067; Mandatory Detariffing of CLEC Interstate Access Services, DA 00-1268; AT&T/Sprint Petitions for Declaratory Ruling, CCB/CPD No. 01-02

Dear Ms. Salas:

On Friday October 5, 2001, Peter Keisler, James Bendernagel and I, representing AT&T, met with Jordan Goldstein, Legal Adviser to Commissioner Copps, to discuss AT&T's position in the above referenced proceedings. We explained that no provision of the Communications Act imposes a "duty to purchase" access services. In particular, we explained that Section 201 of the Communications Act cannot and should not be interpreted by the Commission to impose a retrospective "duty to purchase" CLEC access services. We explained that the second clause of Section 201 – authorizing the Commission under certain circumstances to issue orders prospectively requiring carriers to establish "through routes" – is inapplicable both because the primary jurisdiction referral in this matter relates to past periods and because no CLEC is seeking the establishment of a through route. We further explained that the first clause of Section 201 – requiring carriers to provide service to end users "upon reasonable request" - does not impose duties relating to connections with other carriers and cannot be used to circumvent the limitations on the Commission's authority to require such connections contained in the second clause. Indeed, we explained that the Commission has never before issued an Order that required a carrier to purchase another carrier's service retrospectively, and that the CLEC Access Charge Order – the only Order where the Commission has imposed any duty to purchase -- imposed that obligation only prospectively. Finally, we also explained that the "pay and litigate" doctrine has consistently been applied by the Commission only in circumstances where the objecting party had knowingly ordered the service in question and does not apply where the controverted issue is whether service has been ordered in the first place. Where, as here, AT&T contends that it has not ordered the CLEC services in question, and indeed has taken steps to affirmatively advise the CLECs that we have not ordered their service and request those carriers to direct traffic to other carriers, the application of the "pay and litigate" doctrine would be unlawful. We also emphasized that

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¹ AT&T has appealed the Commission's rationale in the CLEC Access Charge Order. *In the Matter of access Charge Reform,* CC Docket No. 96-262, Seventh Report and Order and Further Notice of Proposed Rulemaking (April 26, 2001).

Judge Ellis has already ruled on this particular issue and that the litigants are moving forward in preparation to try the fact intensive issues of constructive ordering before Judge Ellis beginning November 6.

In addition, we provided an update on settlement negotiations with CLECs, emphasizing the fact that AT&T has already resolved several outstanding disputes with CLECs over access charges since the CLEC Access Charge Order was issued in April. We also advised Mr. Goldstein that AT&T has filed with the Enforcement Bureau (who are overseeing the mediation of informal complaints with the Advantel litigants) a confidential status report on settlement negotiations demonstrating the significant progress that has been made before that Bureau.

On Friday October 5, 2001, Peter Keisler, James Bendernagel and I, representing AT&T, met with Sam Feder, Legal Adviser to Commissioner Martin, to discuss AT&T's position in the above referenced proceedings. We explained that no provision of the Communications Act imposes a "duty to purchase" access services. In particular, we explained that Section 201 of the Communications Act cannot and should not be interpreted by the Commission to impose a retrospective "duty to purchase" CLEC access services. We explained that the second clause of Section 201 – authorizing the Commission under certain circumstances to issue orders prospectively requiring carriers to establish "through routes" – is inapplicable both because the primary jurisdiction referral in this matter relates to past periods and because no CLEC is seeking the establishment of a through route. We further explained that the first clause of Section 201 – requiring carriers to provide service to end users "upon reasonable request" - does not impose duties relating to connections with other carriers and cannot be used to circumvent the limitations on the Commission's authority to require such connections contained in the second clause. Indeed, we explained that the Commission has never before issued an Order that required a carrier to purchase another carrier's service retrospectively, and that the CLEC Access Charge Order – the only Order where the Commission has imposed any duty to purchase -- imposed that obligation only prospectively.² Finally, we also explained that the "pay and litigate" doctrine has consistently been applied by the Commission only in circumstances where the objecting party had knowingly ordered the service in question and does not apply where the controverted issue is whether service has been ordered in the first place. Where, as here, AT&T contends that it has not ordered the CLEC services in question, and indeed has taken steps to affirmatively advise the CLECs that we have not ordered their service and request those carriers to direct traffic to other carriers, the application of the "pay and litigate" doctrine would be unlawful. We also emphasized that Judge Ellis has already ruled on this particular issue and that the litigants are moving forward in preparation to try the fact intensive issues of constructive ordering before Judge Ellis beginning November 6.

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Our statements were consistent with the positions previously articulated by AT&T in filings in the above referenced proceedings. I have submitted one electronic copy of this Notice in accordance with Section 1.1206 of the Commission's rules.

Robert W. Zuinny.

cc: J. Goldstein

² AT&T has appealed the Commission's rationale in the CLEC Access Charge Order. *In the Matter of access Charge Reform,* CC Docket No. 96-262, Seventh Report and Order and Further Notice of Proposed Rulemaking (April 26, 2001).